

Cause # 1:22-CB-80-JMS-DLP

Exhibit H

 KeyCite Yellow Flag - Negative Treatment
Proposed Legislation

United States Code Annotated
Title 26. Internal Revenue Code (Refs & Annos)
Subtitle F. Procedure and Administration (Refs & Annos)
Chapter 64. Collection
Subchapter D. Seizure of Property for Collection of Taxes
Part II. Levy

26 U.S.C.A. § 6334, I.R.C. §6334

§ 6334. Property exempt from levy

Effective: March 23, 2018

[Currentness](#)

(a) Enumeration.--There shall be exempt from levy--

(1) Wearing apparel and school books.--Such items of wearing apparel and such school books as are necessary for the taxpayer or for members of his family;

(2) Fuel, provisions, furniture, and personal effects.--So much of the fuel, provisions, furniture, and personal effects in the taxpayer's household, and of the arms for personal use, livestock, and poultry of the taxpayer, as does not exceed \$6,250 in value;

(3) Books and tools of a trade, business, or profession.--So many of the books and tools necessary for the trade, business, or profession of the taxpayer as do not exceed in the aggregate \$3,125 in value.

(4) Unemployment benefits.--Any amount payable to an individual with respect to his unemployment (including any portion thereof payable with respect to dependents) under an unemployment compensation law of the United States, of any State, or of the District of Columbia or of the Commonwealth of Puerto Rico.

(5) Undelivered mail.--Mail, addressed to any person, which has not been delivered to the addressee.

(6) Certain annuity and pension payments.--Annuity or pension payments under the Railroad Retirement Act, benefits under the Railroad Unemployment Insurance Act, special pension payments received by a person whose name has been entered on the Army, Navy, Air Force, and Coast Guard Medal of Honor roll ([38 U.S.C. 1562](#)), and annuities based on retired or retainer pay under chapter 73 of title 10 of the United States Code.

(7) Workmen's compensation.--Any amount payable to an individual as workmen's compensation (including any portion thereof payable with respect to dependents) under a workmen's compensation law of the United States, any State, the District of Columbia, or the Commonwealth of Puerto Rico.

(8) Judgments for support of minor children.--If the taxpayer is required by judgment of a court of competent jurisdiction, entered prior to the date of levy, to contribute to the support of his minor children, so much of his salary, wages, or other income as is necessary to comply with such judgment.

(9) Minimum exemption for wages, salary, and other income.--Any amount payable to or received by an individual as wages or salary for personal services, or as income derived from other sources, during any period, to the extent that the total of such amounts payable to or received by him during such period does not exceed the applicable exempt amount determined under subsection (d).

(10) Certain service-connected disability payments.--Any amount payable to an individual as a service-connected (within the meaning of [section 101\(16\) of title 38, United States Code](#)) disability benefit under--

(A) subchapter II, III, IV, V, or VI of chapter 11 of such title 38, or

(B) chapter 13, 21, 23, 31, 32, 34, 35, 37, or 39 of such title 38.

(11) Certain public assistance payments.--Any amount payable to an individual as a recipient of public assistance under--

(A) title IV or title XVI (relating to supplemental security income for the aged, blind, and disabled) of the Social Security Act, or

(B) State or local government public assistance or public welfare programs for which eligibility is determined by a needs or income test.

(12) Assistance under Job Training Partnership Act.--Any amount payable to a participant under the Job Training Partnership Act ([29 U.S.C. 1501 et seq.](#)) from funds appropriated pursuant to such Act.

(13) Residences exempt in small deficiency cases and principal residences and certain business assets exempt in absence of certain approval or jeopardy.--

(A) **Residences in small deficiency cases.**--If the amount of the levy does not exceed \$5,000--

(i) any real property used as a residence by the taxpayer; or

(ii) any real property of the taxpayer (other than real property which is rented) used by any other individual as a residence.

(B) Principal residences and certain business assets.--Except to the extent provided in subsection (e)--

(i) the principal residence of the taxpayer (within the meaning of [section 121](#)); and

(ii) tangible personal property or real property (other than real property which is rented) used in the trade or business of an individual taxpayer.

(b) Appraisal.--The officer seizing property of the type described in subsection (a) shall appraise and set aside to the owner the amount of such property declared to be exempt. If the taxpayer objects at the time of the seizure to the valuation fixed by the officer making the seizure, the Secretary shall summon three disinterested individuals who shall make the valuation.

(c) No other property exempt.--Notwithstanding any other law of the United States (including section 207 of the Social Security Act), no property or rights to property shall be exempt from levy other than the property specifically made exempt by subsection (a).

(d) Exempt amount of wages, salary, or other income.--

(1) Individuals on weekly basis.--In the case of an individual who is paid or receives all of his wages, salary, and other income on a weekly basis, the amount of the wages, salary, and other income payable to or received by him during any week which is exempt from levy under subsection (a)(9) shall be the exempt amount.

(2) Exempt amount.--For purposes of paragraph (1), the term “exempt amount” means an amount equal to--

(A) the sum of--

(i) the standard deduction, and

(ii) the aggregate amount of the deductions for personal exemptions allowed the taxpayer under section 151 in the taxable year in which such levy occurs, divided by

(B) 52.

Unless the taxpayer submits to the Secretary a written and properly verified statement specifying the facts necessary to determine the proper amount under subparagraph (A), subparagraph (A) shall be applied as if the taxpayer were a married individual filing a separate return with only 1 personal exemption.

(3) Individuals on basis other than weekly.--In the case of any individual not described in paragraph (1), the amount of the wages, salary, and other income payable to or received by him during any applicable pay period or other fiscal period (as determined under regulations prescribed by the Secretary) which is exempt from levy under subsection (a)(9) shall be an

amount (determined under such regulations) which as nearly as possible will result in the same total exemption from levy for such individual over a period of time as he would have under paragraph (1) if (during such period of time) he were paid or received such wages, salary, and other income on a regular weekly basis.

(4) Years when personal exemption amount is zero.--

(A) In general.--In the case of any taxable year in which the exemption amount under [section 151\(d\)](#) is zero, paragraph (2) shall not apply and for purposes of paragraph (1) the term “exempt amount” means an amount equal to--

(i) the sum of the amount determined under subparagraph (B) and the standard deduction, divided by

(ii) 52.

(B) Amount determined.--For purposes of subparagraph (A), the amount determined under this subparagraph is \$4,150 multiplied by the number of the taxpayer's dependents for the taxable year in which the levy occurs.

(C) Inflation adjustment.--In the case of any taxable year beginning in a calendar year after 2018, the \$4,150 amount in subparagraph (B) shall be increased by an amount equal to--

(i) such dollar amount, multiplied by

(ii) the cost-of-living adjustment determined under [section 1\(f\)\(3\)](#) for the calendar year in which the taxable year begins, determined by substituting “2017” for “2016” in subparagraph (A)(ii) thereof.

If any increase determined under the preceding sentence is not a multiple of \$100, such increase shall be rounded to the next lowest multiple of \$100.

(D) Verified statement.--Unless the taxpayer submits to the Secretary a written and properly verified statement specifying the facts necessary to determine the proper amount under subparagraph (A), subparagraph (A) shall be applied as if the taxpayer were a married individual filing a separate return with no dependents.

(e) Levy allowed on principal residences and certain business assets in certain circumstances.--

(1) Principal residences.--

(A) Approval required.--A principal residence shall not be exempt from levy if a judge or magistrate of a district court of the United States approves (in writing) the levy of such residence.

(B) Jurisdiction.--The district courts of the United States shall have exclusive jurisdiction to approve a levy under subparagraph (A).

(2) Certain business assets.--Property (other than a principal residence) described in subsection (a)(13)(B) shall not be exempt from levy if--

(A) a district director or assistant district director of the Internal Revenue Service personally approves (in writing) the levy of such property; or

(B) the Secretary finds that the collection of tax is in jeopardy.

An official may not approve a levy under subparagraph (A) unless the official determines that the taxpayer's other assets subject to collection are insufficient to pay the amount due, together with expenses of the proceedings.

(f) Levy allowed on certain specified payments.--Any payment described in [subparagraph \(B\) or \(C\) of section 6331\(h\)\(2\)](#) shall not be exempt from levy if the Secretary approves the levy thereon under [section 6331\(h\)](#).

(g) Inflation adjustment.--

(1) In general.--In the case of any calendar year beginning after 1999, each dollar amount referred to in paragraphs (2) and (3) of subsection (a) shall be increased by an amount equal to--

(A) such dollar amount, multiplied by

(B) the cost-of-living adjustment determined under [section 1\(f\)\(3\)](#) for such calendar year, by substituting “calendar year 1998” for “calendar year 2016” in subparagraph (A)(ii) thereof.

(2) Rounding.--If any dollar amount after being increased under paragraph (1) is not a multiple of \$10, such dollar amount shall be rounded to the nearest multiple of \$10.

CREDIT(S)

(Aug. 16, 1954, c. 736, 68A Stat. 784; [Pub.L. 85-840, Title IV, § 406](#), Aug. 28, 1958, 72 Stat. 1047; [Pub.L. 89-44, Title VIII, § 812\(a\)](#), June 21, 1965, 79 Stat. 170; [Pub.L. 89-719, Title I, § 104\(c\)](#), Nov. 2, 1966, 80 Stat. 1137; [Pub.L. 91-172, Title IX, § 945\(a\)](#), Dec. 30, 1969, 83 Stat. 729; [Pub.L. 94-455, Title XII, § 1209\(a\)](#) to (c), Title XIX, § 1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1709, 1710, 1834; [Pub.L. 97-248, Title III, § 347\(a\)](#), Sept. 3, 1982, 96 Stat. 638; [Pub.L. 98-369, Div. B, Title VI, § 2661\(o\)\(5\)](#), July 18, 1984, 98 Stat. 1159; [Pub.L. 99-514, Title XV, § 1565\(a\)](#), Oct. 22, 1986, 100 Stat. 2763; [Pub.L. 100-647, Title I, § 1015\(o\)](#), Title VI, § 6236(c), Nov. 10, 1988, 102 Stat. 3572, 3738; [Pub.L. 102-83, § 5\(c\)\(2\)](#), Aug. 6, 1991, 105 Stat. 406; [Pub.L. 104-168, Title V, § 502\(a\)](#) to (c), July 30, 1996, 110 Stat. 1461; [Pub.L. 104-193, Title I, § 110\(l\)\(3\)](#), formerly § 110(l)(6), Aug. 22, 1996, 110 Stat. 2173; renumbered and amended [Pub.L. 105-33, Title V, § 5514\(a\)\(2\), \(3\)](#), Aug. 5, 1997, 111 Stat. 620; [Pub.L. 105-34, Title III, § 312\(d\)\(1\)](#), Title X, § 1025(a), Aug. 5, 1997, 111 Stat. 839, 924; [Pub.L. 105-206, Title III, §§ 3431\(a\) to \(c\), 3445\(a\), \(b\)](#), July 22, 1998, 112 Stat. 758, 762, 763; [Pub.L. 115-97, Title I, §§ 11002\(d\)\(1\)\(II\), 11041\(d\)](#), Dec. 22, 2017, 131 Stat. 2060, 2084; [Pub.L. 115-141, Div. U, Title IV, § 401\(a\)\(283\)](#), Mar. 23, 2018, 132 Stat. 1198.)

**ADJUSTMENT OF LIMITATION ON VALUE OF CERTAIN
PROPERTY EXEMPT FROM LEVY UNDER SUBSEC. (A)(2), (3)**

<For adjustment of limitation on value of certain property exempt from levy under subsec. (a)(2), (3) of this section for calendar year 2021, see section 3.49 of Revenue Procedure 2020-45, set out as a note under [26 U.S.C.A. § 1](#).>

**ADJUSTMENT OF EXEMPT AMOUNT OF WAGES,
SALARY, OR OTHER INCOME UNDER SUBSEC. (D)(4)(B)**

<For adjustment of the dollar amount used to calculate the amount determined under subsec. (d)(4)(B) of this section for taxable years beginning in 2021, see section 3.50 of Revenue Procedure 2020-45, set out as a note under [26 U.S.C.A. § 1](#).>

[Notes of Decisions \(67\)](#)

26 U.S.C.A. § 6334, 26 USCA § 6334
Current through P.L. 117-76.

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